

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of:

ELECTRONIC APPLICATION OF GRAYSON)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2021-00191
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On December 16, 2021, Grayson County Water District (Grayson District) filed a motion, pursuant to KRS 278.400, requesting rehearing of the Commission’s December 14, 2021 Order that, among other things, established new rates for water service and modified several of Grayson District’s charges for nonrecurring services.

LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits rehearing to new evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are unreasonable or unlawful. A Commission Order is deemed unreasonable only when “the evidence presented leaves no room for difference of opinion among reasonable minds.”¹ An Order can only be unlawful if it violates a state or federal statute or constitutional provision.²

¹ *Energy Regulatory Comm’n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

² *Public Service Comm’n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm’n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

DISCUSSION AND FINDINGS

Grayson District requested rehearing on two issues regarding its Meter Tampering Charge, and its Service Line Investigation charges.

Meter Tampering Charge

In the December 14, 2021 Order, the Commission established a Meter Tampering Charge of \$60. In its motion for rehearing, Grayson District asserted that it does not assess a Meter Tampering Charge, rather, it assesses a charge for “Damage to Meter Setting of Lid (Field Visit plus Equipment Replaced).”³ This charge is the actual cost of repairing or replacing the damaged equipment plus a “Service Call/Investigation Fee” to cover the cost of a field employee travelling to the meter location and the cost to replace equipment damaged.⁴ Grayson District further asserted that establishing a fixed amount may prevent it from recovering its costs to repair or replace the damaged equipment and force Grayson District’s other customers to subsidize the costs to repair or replace damaged meters.⁵

³ Motion for Rehearing at 1–2, paragraph 3.

⁴ *Id.*

⁵ *Id.* at 2, paragraph 4.

In response to Commission Staff's First Request for Information (Staff's First Request), Grayson District provided a list of the nonrecurring charges incurred during the test year.⁶ Included in the list is "Meter Tampering." Grayson District has since clarified that the meter tampering charge was mislabeled in Grayson District's response to Staff's First Request, and should have been listed as "Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced)."⁷

Grayson District requested that the Commission amend the December 14, 2021 Order to delete the Meter Tampering Charge and allow the charge of "Damage to Meter Setting or Lid (Field Visit plus Equipment Replaced)" to remain in place.⁸ The Commission finds that this request is reasonable and should be allowed.

Service Line Investigation

Grayson District asserted that it does not assess a "Service Line Investigation Fee," rather, it assesses a "Service Line Inspection Fee (In Lieu of Plumber)" of \$100, which Grayson District alleged is greater than the \$45 the state plumbing inspectors assess.⁹ Commission regulation 807 KAR 5:066, Section 9(3) requires a water utility to inspect a service line "to determine it is free from any tee, branch connection, irregularity or defect" prior to the line being covered.. The regulation further permits a water utility to substitute for its own inspection, an inspection by the appropriate state or local plumbing inspector, if proof of that inspection is presented to the utility by the customer.¹⁰

⁶ Grayson District's Response to Staff's First Request (filed Aug. 13, 2021), Item 6.

⁷ Motion for Rehearing at 1–2, See footnote 1.

⁸ *Id.* at 2, paragraph 5.

⁹ *Id.* at 2–3, paragraphs 6 and 7.

¹⁰ 807 KAR 5:066, Section 9(3).

Grayson District requested reconsideration on the Commission's decision if the Commission intended to reduce the "Service Line Inspection Fee (In Lieu of Plumber)" to remove the labor component from the fee. Grayson District argued that removing the labor component and reducing the fee to \$15 will encourage potential customers to cease using state plumbing inspectors and instead request Grayson District to perform inspections, which will divert Grayson District's employees from their primary mission of providing water service.¹¹ Given the existence of a lower cost alternative that is readily available to the public, Grayson District asserted it should be allowed to maintain its Service Line Inspection Fee at its current level to promote a more efficient use of resources.¹² The Commission finds, based on the information provided in the motion, that it is reasonable to grant rehearing to further investigate Grayson District's proposed Service Inspection Fee (In Lieu of Plumber) and to reconsider the appropriate fee for this service.

IT IS THEREFORE ORDERED that:

1. Grayson District's motion for rehearing is granted.
2. The Commission's December 14, 2021 Order is amended to delete the Meter Tampering Charge, and Grayson District's current charge for Damage to Meter Setting or Lid (Field Visit plus Equipment Replaced) shall remain in place.
3. This case is reopened to explore the reasonableness of Grayson District's Service Line Inspection Fee (In Lieu of Plumber).

¹¹ Motion for Rehearing at 3, paragraph 7.

¹² *Id.*

By the Commission



ATTEST:


Executive Director

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Holly Nicholas
Kentucky Eng Group PLLC
P.O. Box 1034
Versailles, KENTUCKY 40383

*Grayson County Water District
21 Shull White Road
P. O. Box 217
Leitchfield, KY 42754

*Kevin Shaw
Manager
Grayson County Water District
21 Shull White Road
P. O. Box 217
Leitchfield, KY 42754